

Date October 26, 2015

RESOLUTION CLOSING HEARING ON THE PROPOSED URBAN
RENEWAL PLAN FOR THE NORTHEAST GATEWAY REVITALIZATION
URBAN RENEWAL AREA AND ADOPTING SAME.

WHEREAS, the proposed Northeast Gateway Revitalization Urban Renewal Area extends west to E. 7th Street, north to NE 52nd Avenue, east to Interstate 235, and south to Hull Avenue, as shown by the accompanying Map 1: Plan Boundary; and,

WHEREAS, the Office of Economic Development has prepared an urban renewal plan titled *Northeast Gateway Revitalization Urban Renewal Plan* (hereinafter referred to as the "Plan") which is on file and available for public inspection in the office of the City Clerk; and,

WHEREAS, the Plan seeks to guide the development of and stimulate private economic investment activities within the Northeast Gateway Revitalization Urban Renewal Area through the provision of infrastructure improvements and economic development financial assistance that is provided, in part, with the tax increment revenues generated in the urban renewal area; and,

WHEREAS, on September 28, 2015, by Roll Call No. 15-1609, the City Council resolved that a public hearing on the proposed Plan be held on October 26, 2015, in the City Council Chambers; and,

WHEREAS, the City Plan and Zoning Commission reviewed the Plan for conformity with the adopted comprehensive plan for the development of the City as a whole, being the Des Moines 2020 Community Character Plan as revised, at its meeting on October 15, 2015, and made recommendations which were received and filed under a separate resolution; and,

WHEREAS, the Urban Design Renewal Board reviewed the Plan at its meeting on October 20, 2015, and recommended approval of the Plan; and,

WHEREAS, notice of this public hearing was published in the Des Moines Register on October 8, 2015, which notice sets forth the information required by Section 403.5(3) of the Iowa Code; and,

WHEREAS, notice was given by ordinary mail to the Des Moines Independent Community School District, Des Moines Area Community College, and Polk County of a consultation meeting in the Kofu Conference Room, at City Hall, at 2:00 p.m. on October 2, 2015; and,

WHEREAS, the City has received no requests from the Des Moines Independent Community School District, Des Moines Area Community College, or Polk County for any

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modification of the proposed division of revenue from the tax increment of the urban renewal project area; and,

WHEREAS, the none of the property within the Northeast Gateway Revitalization Urban Renewal Area is assessed as agricultural property; and,

WHEREAS, Polk County has consented to the inclusion of the unincorporated Interstate 35/80 right-of-way in the Northeast Gateway Revitalization Urban Renewal Area; and,

WHEREAS, the public hearing has now been opened and all persons and organizations desiring to be heard regarding the proposed Plan have been given the opportunity to be heard; NOW THEREFORE,

BE IT RESOLVED, by the City Council of the City of Des Moines, Iowa, as follows:

1. The public hearing on the proposed *Northeast Gateway Revitalization Urban Renewal Plan* is hereby closed.

2. Upon consideration of the recommendation of the Plan and Zoning Commission and the recommendations and statements from all other interested parties and organizations, the City Council hereby makes the following findings:

- a) The proposed Plan conforms to the Des Moines 2020 Community Character Plan, as amended, for the development of the City as a whole.
- b) The Plan does not provide for the involuntary acquisition of any land by the City, and does not identify any land planned for acquisition. However, property may be acquired in the future by voluntary acquisition or otherwise for the extension of public utilities and infrastructure necessary to properly serve the area.
- c) The City will assist in the relocation of any residents and businesses displaced by public actions undertaken pursuant to the urban renewal project. If the City provides relocation assistance, displaced residents and businesses will be provided with the opportunity to relocate to accommodations which are decent, safe, and sanitary, and within their financial means in accordance with the established City's standard relocation policy unless otherwise required by funding source regulations and any other applicable requirements.

3. The *Urban Renewal Plan for the Northeast Gateway Revitalization Urban Renewal Area* is hereby approved and adopted, and shall hereafter be in full force and effect.



Roll Call Number

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4. The City Clerk is hereby authorized and directed to file a certified copy of the Plan and of this Resolution in the office of the Polk County Recorder.

(Council Communication No. 15-577)

MOVED by _____ to adopt.

FORM APPROVED:

Roger K Brown

Roger K. Brown
Assistant City Attorney

U:\Rog Docs\Eco Dev\NE Gateway\UR Designation\RC Hrg.doc

Attachments:

Map 1: Plan Boundary

COUNCIL ACTION	YEAS	NAYS	PASS	ABSENT
COWNIE				
COLEMAN				
GATTO				
GRAY				
HENSLEY				
MAHAFFEY				
MOORE				
TOTAL				

CERTIFICATE

I, DIANE RAUH, City Clerk of said City hereby certify that at a meeting of the City Council of said City of Des Moines, held on the above date, among other proceedings the above was adopted.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my seal the day and year first above written.

MOTION CARRIED

APPROVED

Mayor

City Clerk

NORTHEAST GATEWAY REVITALIZATION URBAN RENEWAL PLAN

**an Urban Renewal Plan for the
Northeast Gateway Revitalization Urban
Renewal Area**

City of Des Moines, Iowa

Urban Design Review Board Action July 21, 2015; _____, 2015
Plan & Zoning Commission Action July 16, 2015; _____, 2015
City Council Action _____, 2015
Taxing Entities Consultation Meeting _____, 2015

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A. INTRODUCTION

1.) Description of the Northeast Gateway Revitalization Urban Renewal Area

The Northeast Gateway Revitalization Urban Renewal Area contains approximately 1084.44 acres, and is generally located between NE 52nd Street and NE 7th Street in the NW section, Aurora Avenue and I-235 in the NE section, Hull Avenue and I-235 in the SE section, and Hull Avenue and East 8th Street in the SW section as shown on Map 1, "Plan Boundary", and as more specifically described in Attachment A.

2.) Purpose of this Plan

This Urban Renewal Plan (this "Plan") is intended to guide the development of and stimulate private economic investment activities within the Northeast Gateway Revitalization Urban Renewal Area (the "Area") through the provision of infrastructure improvements and economic development financial assistance that is provided, in part, with the tax increment revenues generated in the urban renewal area. This Plan is also intended to respond to the conditions of blight in the Area.

The location of the Area in northeast Des Moines, adjacent to two major arterial streets (E. 14th Street and E. Euclid Avenue) and its proximity to the interstate system provide opportunities for high visibility and new investment. The age and condition of certain real estate in the Area, as well as blighted vacant buildings and sites, prompts the need for revitalization. The City of Des Moines believes that the designation of the Area as an urban renewal area and the adoption and implementation of this Plan has the potential to strengthen and revitalize the local economy through:

- A. Providing for planned and unified development of high quality commercial, industrial, mixed use and residential uses and the physical and economic enhancement of the Area.
- B. Creation of a safe and attractive physical environment through the construction and installation of necessary infrastructure and other public improvements or projects supportive of the Area.
- C. Retention and creation of quality permanent employment opportunities for residents.
- D. Expansion of the property tax base of the Area, and subsequently contributing to the economic betterment of the entire City of Des Moines.
- E. Creation of financial incentives as necessary to encourage new and existing businesses to invest and expand in the Area.

3.) Authority to Adopt and Implement an Urban Renewal Plan

The State of Iowa has provided Iowa cities with the power to adopt and implement urban renewal plans through Chapter 403, Urban Renewal Law, Code of Iowa. If a slum, blighted or economic development area or combination of the three, as defined in Section 403.17, Code of Iowa, exists within the municipality; the municipality may designate such an area for urban renewal through the process provided for in Chapter 403.

A municipality may determine that a proposed urban renewal area is an economic development area if the area is appropriate for development or redevelopment with commercial and industrial enterprises. A municipality may make a determination that a proposed urban renewal area is a blighted area if the area contains a substantial number of slum, deteriorated, or deteriorating structures; defective or inadequate street layout; faulty lot layout in relation to size, adequacy, accessibility or usefulness; insanitary or unsafe conditions; deterioration of site or other improvements; diversity of ownership, tax or special assessment delinquency exceeding the fair value of the land; defective or unusual conditions of title; or the existence of conditions which endanger life or property by fire and other causes; or any combination of these factors, substantially impairs or arrests the sound growth of the municipality, retards the provision of housing accommodations, or constitutes an economic or social liability and is a menace to the public health, safety, or welfare in its present condition and use.

For the reasons set forth below the proposed Northeast Gateway Revitalization Urban Renewal Area qualifies for designation as an urban renewal area on the basis that each portion of the Area is a blighted area, an economic development area appropriate for development or redevelopment with commercial and industrial enterprises, or both.

B. BACKGROUND INFORMATION

1. General Information

The Northeast Gateway Revitalization Urban Renewal Area is comprised of a combination of elements that have built out over decades. Along E. 14th Street and E. Euclid Avenue, there are commercial and industrial buildings and vacant sites, with buildings that were constructed in the 1950's. South of E. Madison and west of Dixon Street there are industrial buildings that have experienced a varied level of rehabilitation and new investment; some are not seen as competitive for today's business operations. The former Eastgate Shopping Center at the northeast corner of E. 14th Street and E. Euclid Avenue has struggled to attract new investment since the former buildings were demolished over a decade ago. Regional retail competitiveness and limited trade share area has restricted this site from rising to the attention of the market. Scattered throughout the corridors are vacant lots and buildings and partially improved sites. Grand View University is located south of Hull Avenue at the southern end of the Area, and has significantly expanded its campus over the last decade, introducing an increased population seeking services in the Area.

The Area's location provides optimum visibility and transportation connectivity. E. 14th Street carries an estimated 17,000 vehicles per day, serving as a corridor where commuters exit the interstate system and travel south into the Des Moines Central Business District. East Euclid Avenue carries an estimated 13,900 vehicles per day. Though the Area does provide some commercial services to northeast Des Moines neighborhoods, such as convenience stores, banks, auto sales and services, and restaurants, many service and employment needs are met in neighboring suburbs such as Ankeny, where large scale retail centers, businesses, restaurants and specialty stores are located.

This Plan is anticipated to provide an ability to acknowledge and work with the variety of conditions, existing uses and opportunities in the Area, providing a unity of purpose to create a thriving and cohesive area.

2.) Current Land Use

The Northeast Gateway Revitalization Urban Renewal Area includes commercial, general industrial, multifamily residential, single family residential, and publicly owned uses. These uses are detailed in Map 2.

3.) Proposed Land Use

The City of Des Moines **2020 Community Character Plan** shows the land as a combination of low density residential, medium density residential, small scale strip development, community commercial, industrial, and public/semi-public use. Map #3 further details the proposed land uses for the area. In conjunction with this urban renewal plan, additional planning activities will be undertaken to refine the projected land uses for this area as appropriate.

This Plan does not contemplate any specific amendments to the Des Moines 2020 Community Character Plan, or to the Official Zoning Map. Possible amendments to the Des Moines 2020 Community Character Plan and the Official Zoning Map may be identified through the ongoing planning process for the implementation of this Plan.

4.) Appropriateness for Economic Development

E. 14th Street, E. Euclid Avenue and the proximity to the interstate system provide high visibility and traffic counts that are conducive to commercial and industrial economic development activity. The Metropolitan Planning Organization's plan, known as *Mobilizing Tomorrow*, outlines a long-range transportation strategy for the year 2050 and a framework of how the MPO's member communities will invest approximately \$600 million in transportation funding over the next 35 years with an emphasis on balancing growth to the east and north of the Des Moines metro area. Development of commercial and industrial businesses and services in the Northeast Gateway Revitalization Urban Renewal Area is in accordance with this planning vision. The

vacant parcels along the E. 14th Street and E. Euclid Avenue corridors offer potential opportunities for assembly and redevelopment, and the large tract of land in the former Eastgate Plaza site offers opportunities for new development. For all these reasons the Area is eligible for designation as an urban renewal economic development area appropriate for commercial and industrial enterprises.

5.) Recognition of Blight Conditions

The area qualifies as a blighted area due to existing conditions including vacant buildings and sites, buildings assessed at below normal and poor condition, warehouse building identified as economically obsolete, homeless camps, numerous buildings that are 50 years old or more, underutilized parcels, parcels that are not adequately sized for development without assemblage with other land, dilapidated buildings and buildings valued at less than the properties they are constructed on. All of these conditions have the impact of pulling down the economic viability of the Area, and create a need for revitalization.

C. URBAN RENEWAL PLAN ELEMENTS

1. Goals and Objectives

The primary goal for the Northeast Gateway Revitalization Urban Renewal Plan is to guide the redevelopment of the Northeast Gateway Revitalization Urban Renewal Area, setting objectives that will provide an ability for the Area to benefit from previous investments in public infrastructure and transportation systems, increase the tax base and provide employment opportunities. Objectives for this Plan include:

- A. Encourage and facilitate high quality commercial, industrial, mixed use and residential development within the Area.
- B. Coordination of resources to attract new quality economic development investment
- C. Promote key public infrastructure projects in coordination with the private sector, Polk County, the Des Moines Wastewater Reclamation Authority, Des Moines Water Works and the Iowa Department of Transportation. These may include traffic signals at key intersections, access provision and management, and stormwater management improvements, as well as corridor beautification and signage at key nodes.
- D. Promote and coordinate additional land use and transportation system studies as warranted to ensure the ability to attract quality development and the ability to accommodate and manage traffic circulation.
- E. Encourage the use of low impact development and on-site stormwater management best practices in the Area, and coordinate the evaluation and assessment of natural resources proactively.
- F. Encourage the incorporation of long term sustainability into site development and building construction, particularly the efficient use of energy in lighting, heating, ventilation and cooling system design.

2. Public Purpose Activities to be Undertaken

To meet the objectives of this Plan, the City of Des Moines will support development and redevelopment of the Northeast Gateway Revitalization Urban Renewal Area through, among other things, the following public purpose activities:

- A. Provision of technical support in furtherance of this Plan;
- B. Evaluation of property's potential for development and redevelopment purposes, including but not limited to activities such as appraisals and architectural, engineering and environmental studies;
- C. Acquisition and disposition of property for public improvements and for private development and redevelopment;
- D. Demolition and clearance of deteriorated, obsolescent and blighting structures and other improvements;
- E. Preparation of building sites for development and redevelopment purposes through activities that include but are not limited to grading, filling and landscaping;
- F. Improvement, installation, construction and reconstruction of streets, utilities, railroad spur lines and other public improvements and rights-of-way;
- G. Enforcement of applicable local, state and federal laws, codes and regulations; and
- H. Use of tax increment financing, loans, grants and other appropriate financial tools in support of eligible public and private development and redevelopment efforts.

All public purpose activities shall be conditioned upon and shall meet the restrictions and limitations placed upon the Area by this Plan.

3. Land and Development Requirements

The physical development of the Area will be regulated through the standards and guidelines contained within the City of Des Moines 2020 Community Character Plan, the City of Des Moines' Zoning Ordinance, the Des Moines Site Plan Regulations, and other applicable local, state and federal codes and ordinances. In addition, all projects requesting financial assistance through tax increment financing must undergo review by the Urban Design Review Board. The criteria to be used by the Board for making recommendations on design shall include but are not limited to:

- Scale, proportion, color, articulation, massing, patterning, setbacks and exterior materials. Permanence and quality of materials and site design, as well as details that add character and define depth are desired.
- How the project promotes an attractive and appealing physical environment.
- Encourage the incorporation of long term sustainability into site development and building construction, particularly the efficient use of materials and energy in heating, ventilation and cooling system design.
- Encourage the use of low impact development and on-site stormwater management best practices in the Area, and coordinate the evaluation and assessment of natural resources proactively.

4. Financial Condition Report

The urban renewal area will be concurrently designated as a tax increment district. A financial condition report is included as Attachment B. Property tax revenues anticipated to result from creation of the district would be available to service any indebtedness incurred in financing actions pursuant to this Plan

D. URBAN RENEWAL PLAN IMPLEMENTATION

The City of Des Moines will take necessary action to achieve the goals and objectives of the Northeast Gateway Revitalization Urban Renewal Plan. This will include involvement in the following activities:

1. Continued Planning Efforts

The City shall continue to evaluate the needs of the Area, identifying issues and coordinating a response to these issues. A comprehensive approach will be taken to gathering input from landowners, neighborhoods, businesses and development interests.

2. Technical Assistance

The City may provide technical assistance to landowners and prospective developers where appropriate. The City will work to coordinate efforts related to development proposals, ongoing planning, coordination with other agencies and levels of government, and other activities that will assist with meeting the objectives of this Plan.

3. Funding and Financing: Economic Development Assistance

The City will pursue funding sources required to meet the objectives of this Plan. Sources may include, but are not limited to, loans, grants, general fund expenditures, tax abatement, tax increment financing, special assessments, bond issuance, and participation in state/federal programs.

More specifically, the use of tax increment financing and the review steps and requirements for proposed economic development assistance are specified as follows:

Tax Increment Financing. The City believes that the use of tax increment revenues to assist in the financing of new development or redevelopment in the Northeast Gateway Revitalization Urban Renewal Area is necessary in the public interest to achieve the objectives of this Plan. Without the use of this special financing tool, new investment may not otherwise occur or may occur within other jurisdictions. The use of tax increment financing to spur the development of the Area pursuant to this Plan is expected to provide greater future property tax revenues for the City, Polk County and Des Moines Independent School District, that would otherwise be available if this Plan were not implemented.

Tax increment financing will be used where it is anticipated to provide a long-term payback in overall increased tax base for the City, County and School District. The initial public investment required to generate new private investment is anticipated to ultimately increase the taxable value of the Area beyond its existing base value.

Tax increment reimbursement may be sought for, among other things, the following costs to the extent they are incurred by the City:

- a. Planning and administration of this Plan;
- b. Construction of public infrastructure improvements and facilities within the Area;
- c. Acquisition, installation, maintenance and replacement of public investments throughout the Area;
- d. Acquisition and disposal of property for public improvements and for private development and redevelopment.
- e. The development or redevelopment of buildings or facilities within the Area to be occupied by qualifying entities;
- f. Loans or grants to qualified industries and businesses, including debt service payments on any bonds issued to finance such loans or grants, for purposes of expanding the business or activity, or other qualifying loan programs established in support of this Plan; and
- g. Providing the matching share for a variety of local, state and federal grants and loans.

4. Public Improvements

This Plan will promote the extension of public utilities (sanitary sewer, water, stormwater management systems, construction and rehabilitation of streets, green infrastructure and park amenities, provision for pedestrian access and connection to sidewalks and recreation trails, and corridor beautification, including landscape and hardscape elements) in the Area, and working with landowners and developers in accordance with the Statewide Urban Design Standards and Specifications (SUDAS) on uniform construction and installation of all public improvements in furtherance of the objectives of this Plan.

5. Responsibility of Developers

Developers shall work with the City to coordinate the realization of the intent of this Plan. This will include limiting exemption from taxes on the value added by the improvements where possible. It is recognized that when tax abatement is in place, it will reduce the amount of tax increment created by the Area. Therefore in certain cases it may be necessary for developers to forego tax abatement to make a project work. The City reserves the ability to negotiate what will be in the best interest of the community and the furtherance of this Plan, while working with developers to facilitate new projects.

6. Activities Under Chapter 15 A

The City may as part of its action to carry out this Plan engage in economic development activities within the Northeast Gateway Revitalization Urban Renewal Area pursuant to Iowa Code Chapter 15A for the creation of new jobs and income, and for the retention of existing jobs and income that would otherwise be lost, when such economic development activities are found by the City Council to further the objectives of this Plan. The City may solicit and or package such economic development activity proposals in the form of direct financial assistance through grants or loans.

E. DURATION OF URBAN RENEWAL PLAN

This Plan shall continue in effect until terminated by the City Council.

F. SEVERABILITY

In the event one or more provisions contained in this Urban Renewal Plan shall be held for any reason to be invalid, illegal, unauthorized or unenforceable in any respect, such invalidity, illegality, lack of authorization, or unenforceability shall not affect any other provision of this Plan and this Plan shall be construed and implemented as if such provision had never been contained herein.

G. AMENDMENT OF APPROVED URBAN RENEWAL PLAN

This Plan may be amended from time to time to respond to development opportunities. Any such amendment shall conform to the requirements of Iowa Code Chapter 403. Any change effecting any property or contractual right can be effectuated only in accordance with applicable state and local law.

No land shall be acquired by City under authority of this Plan for private redevelopment until the acquisition of such land is shown by an amendment to this Plan.

H. ATTACHMENTS

- A - Legal Description for Area
- Map 1: Plan Boundary
- Map 2: Existing Land Use Map
- Map 3: Future Land Use Map
- B - Financial Condition Report

Attachment A - Legal Description Northeast Gateway Revitalization Urban Renewal Area

Proposed Northeast Gateway Revitalization Urban Renewal Plan Boundary Description:

Beginning at the intersection of the centerline of Hull Avenue and the centerline of Dixon Street; Thence West along the centerline of Hull Avenue to the centerline of York Street; Thence North along the centerline of York Street to the Easterly extension of the South line of Lot 59, Mann's 2nd Addition to Highland Park, an Official Plat; Thence West along said Easterly Extension and the South line of said Lot 59 to the Southwest corner of said Lot 59; Thence continuing West along the South line of Lots 52 through 58 of said Mann's 2nd Addition to Highland Park to the Southwest corner of said Lot 52; Thence South along the Southerly extension of West line of said Lot 52 to the centerline of Oak Park Avenue; Thence West along the centerline of Oak Park Avenue to the centerline of East 12th Street; Thence North along the centerline of East 12th Street to the Easterly Extension of the South line of Lot 7, Timmins Subdivision, an Official Plat; Thence West along said Easterly Extension and the South line of said Lot 7 to the Southeast corner of Lot 9, Rocky Place, an Official Plat; Thence continuing West along the South line of said Lot 9 to the Southwest corner of said Lot 9; Thence North along the West line of said Lot 9 to the Easterly Extension of the South line of Lot 140, Campus Park, an Official Plat; Thence West along said Easterly Extension and South line of said Lot 140 to the Southwest corner of said Lot 140; Thence continuing West along a straight line to the Southeast corner of Lot 111 of said Campus Park; Thence West along the South line of said Lot 111 to the Southwest corner of said Lot 111; Thence North along the West line of Lots 111, 112, 113 of said Campus Park, and the Northerly extension of the West line of said Lot 113 to the centerline of East Euclid Avenue; Thence West along the centerline of East Euclid Avenue to the centerline of East 8th Street; Thence North along the centerline of East 8th Street to the centerline of East Douglas Avenue; Thence East along the centerline of East Douglas Avenue to the centerline of East 9th Street; Thence North along the centerline of East 9th Street to the centerline of Hoffman Avenue; Thence West along the centerline of Hoffman Avenue to the centerline of East 8th Street; Thence North along the centerline of East 8th Street to the centerline of East Madison Avenue; Thence East along the centerline of East Madison Avenue to the Southerly Extension of the East Line of Lot 44, Shawnee Acres, an Official Plat; Thence North along said Southerly Extension and the East line of said Lot 44 to a line that is 421.75 feet North of and parallel with the South line of said Lot 44; Thence West along said parallel line to West line of said Lot 44; Thence North along said West line and its Northerly Extension to the centerline of East Shawnee Avenue; Thence East along the centerline of East Shawnee Avenue to the Southerly Extension of the East line of the West 65 feet of Lots 32 and 33 of said Shawnee Acres; Thence North along said Southerly Extension and said East line of the West 65 feet of Lots 32 and 33 to the North line of said Lot 32; Thence West along said North line to the East line of Lot 23 of said Shawnee Acres; Thence North along said East line to a line that 130.85 feet North of and parallel of the South line of Lots 21, 22 and 23 of said Shawnee Acres; Thence West along said parallel line to a line that is 8 feet West of and parallel to the East line of said Lot 21; Thence South along said parallel line to the South line of said Lot 21; Thence West along said South line and continuing along the South line of Lots 19 and 20 of said Shawnee Acres to a line that is 65 feet East of and parallel to the West line of said Lot 19; Thence North along said parallel line to a line that is 125.42 feet

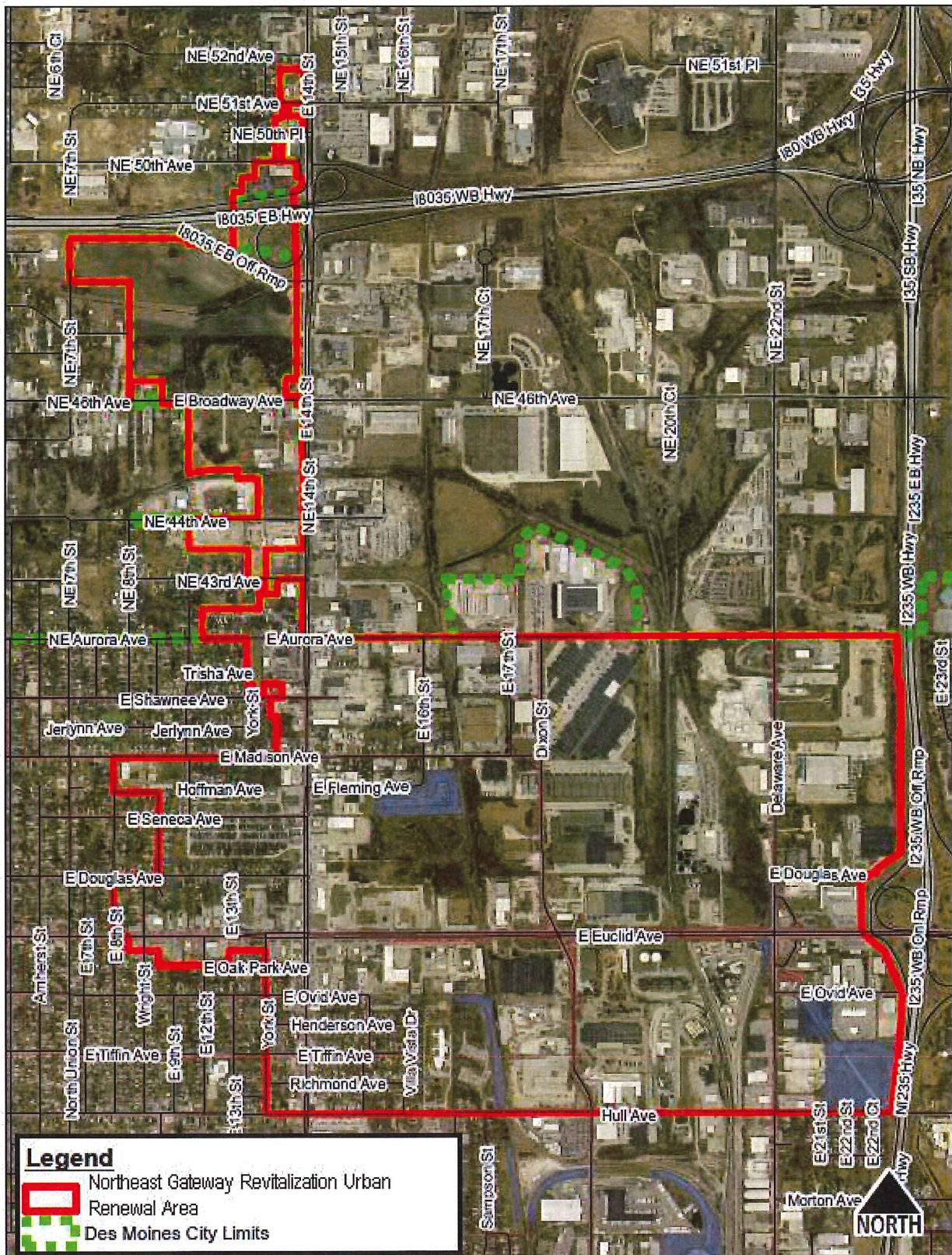
North of and parallel to the South line of said Lot 19; Thence West along said parallel line to the West line of said Lot 19; Thence North along said West line and its Northerly Extension to the centerline of East Aurora Avenue Right of Way; Thence West along said centerline to the Southerly Extension of the West line of Lot 11, Pagliai Place, an Official Plat; Thence North to the Southwest corner of said Lot 11; Thence continuing North along the West line of Lot 11 and Lot 16 of said Pagliai Place to the Northwest corner of said Lot 16; Thence East along the North line of said Lot 16 to the Southwest corner of Lot 48, Iowa Garden Acres, an Official Plat; Thence North along the West line of said Lot 48 to the Northwest corner of said Lot 48; Thence continuing North along the Northerly Extension of the West line of said Lot 48, a distance of 15.0 feet to the centerline of Northeast 43rd Avenue Right of Way; Thence West along said centerline to the Southerly Extension of the West line of Lot 1 in said Iowa Garden Acres; Thence North along said Southerly Extension and along said West line to the Northwest corner of said Lot 1; Thence West along the South line of the North half (1/2) of the Southeast Quarter (1/4) of the Northeast Quarter (1/4) of said Section 23, to the West line of the Southeast Quarter (1/4) of the Northeast Quarter (1/4) of said Section 23; Thence North along the West line of the Southeast Quarter (1/4) of the Northeast Quarter (1/4) of said Section 23, to the North right of way line of Northeast 44th Avenue (Hoffman Road); Thence East along said North right of way line to the Southerly Extension of the East line of Lot 21, Stickler Heights, an Official Plat; Thence North along the East line of said Lot 21 to the Northeast corner of said Lot 21; Thence West along the North line of said Lot 21, to a point 788.1 feet West of the East line of the Northeast Quarter (1/4) of the Northeast Quarter (1/4) of said Section 23; Thence North along a line that is 788.1 feet West of and Parallel with said East line of the Northeast Quarter (1/4) of the Northeast Quarter (1/4) of Section 23 to the South line of Vista Broadway Industrial Plat 1, an Official Plat; Thence West along said South line to the West line of said Vista Broadway Industrial Plat 1; Thence North along said West line to the South Right of Way line of Northeast 46th Avenue (East Broadway Avenue); Thence West along said South Right of Way line to a point that is 300 feet West of the East line of the Southwest Quarter (1/4) of the Southeast Quarter (1/4) of Section 14, Township 79 North, Range 24 West of the 5th P.M.; Thence North along a line that is 300 feet West of and parallel to the East line of the Southwest Quarter (1/4) of the Southeast Quarter (1/4) of said Section 14, to the North right of way line of Northeast 46th Avenue (East Broadway Avenue); Thence North 00° 03' 45" West, 192.0 feet; Thence South 89° 55' 30" West, 348.0 feet; Thence South 00° 03' 45" East, 225.0 feet to the centerline of Northeast 46th Avenue Right of Way (East Broadway Avenue); Thence South 89° 55' 30" West along said centerline, a distance of 18.02 feet to the West line of the East ½ of the Southwest Quarter (1/4) of the Southeast Quarter (1/4) of said Section 14; Thence North along said West line, a distance of 33 feet; Thence North 00° 01' 45" West along said West line, 1293.06 feet to the North line of the Southwest Quarter (1/4) of the Southeast Quarter (1/4) of said Section 14; Thence South 89° 56' 30" West along said North line, 665.22 feet to the Northwest corner of the Southwest Quarter (1/4) of the Southeast Quarter (1/4) of said Section 14; Thence North 00° 00' 00" East along the West line of the Southeast Quarter (1/4) of said Section 14, a distance of 479.65 feet to a point that is 183.0 feet South of the centerline of US Interstate 80/35 Right of Way, as it is presently established; Thence North 89° 55' 30" East, parallel with and 183.0 feet South of the South line of the North ½ of the Northwest Quarter (1/4) of the Southeast Quarter (1/4) of said Section 14, a distance of 1329.98 feet to the East line of the Northwest Quarter (1/4) of the Southeast Quarter (1/4) of said Section 14; Thence South 00° 03' 45" East, 68.47 feet along the East line of the Northwest Quarter (1/4) of the Southeast Quarter (1/4) of said Section 14; Thence South 85° 15' 30" East, 503.84 feet; Thence North 0° 07' 30" West, 535.38 feet to the

present North Right of Way line of US Interstate 80/35; Thence continuing North $0^{\circ} 07' 30''$ West, 91.25 feet; Thence North $89^{\circ} 58' 00''$ East, 97.13 feet; Thence North $0^{\circ} 07' 30''$ West, 165.00 feet; Thence North $89^{\circ} 58' 00''$ East, 146.17 feet; Thence North $0^{\circ} 07' 30''$ West, 165.00 feet to the centerline of Northeast 50th Avenue Right of Way (Goode Drive); Thence East along said centerline to the Southerly Extension of the West line of Lot 19, Goode Heights Plat One, an Official Plat; Thence North along the Southerly Extension of the West line of said Lot 19 to the Southeast corner of said Lot 19; Thence North along the West line of said Lot 19 and the West line of Lot 17, of said Goode Heights Plat One, to the Northwest corner of said Lot 17, and the South Right of Way line of Lot D, Goode Heights Plat One, (also known as Wauneta Drive and Northeast 50th Place); Thence continuing North along the Northerly Extension of said Lot 17 to the North Right of Way line of said Lot D, (Wauneta Avenue and Northeast 50th Place) and the Southwest corner of Lot 2 of said Goode Heights Plat One; Thence North along the West line of said Lot 2 to the Northwest corner of said Lot 2; Thence East along the North line of said Lot 2 to the Northeast corner of said Lot 2, also being the Southwest corner of Lot 27, Goode Heights Plat No.2, an Official Plat; Thence North along the West line of said Lot 27 to the Northwest corner of said Lot 27 and the South Right of Way line of Lot A, (also known as Forrest Goode Road and Northeast 51st Avenue) of said Goode Heights Plat No.2; Thence North along the Northerly Extension of the West line of said Lot 27 to the North Right of Way line of Northeast 51st Avenue (Forrest Goode Road); Thence West along said North Right of Way line to the Southeast corner of Lot 14 of Pettit Place, an Official Plat; Thence North along the West line of said Lot 14, a distance of 350.0 feet; Thence East along a line 350.0 feet North of and parallel with the South line of said Lot 14, a distance of 255.0 feet to the East line of said Lot 14; Thence South along the East line of said Lot 14, a distance of 350.0 feet to the South line of said Lot 14 to the North Right of Way line of said Northeast 51st Avenue (Forrest Goode Road); Thence continuing South along the Southerly Extension of the East line of said Lot 14 to the centerline of said Northeast 51st Avenue Right of Way (Forrest Goode Road); Thence West along the centerline of said Northeast 51st Avenue Right of Way (Forrest Goode Road), said centerline also being the North line of Lot A of said Goode Heights Plat No.2, to a point that is 150 feet West of the East line of said Lot A; Thence South along a line that is 150 feet West of and parallel to the East line of said Lot 27, to a line that is 120 feet South of and parallel to the North line of said Lot 27; Thence East along said parallel line to the East line of said Lot 27; Thence South along said East line to the North line of Lot 1 of said Goode Heights Plat One; Thence East along the North line of said Lot 1, a distance of 10.0 feet to the Northeast corner of said Lot 1; Thence South along the East line of said Lot 1, to the Southeast corner of said Lot 1, said corner also being the Northeast corner of Lot D (Wauneta Avenue and Northeast 50th Place) in said Goode Heights Plat One; Thence West along the North line of said Lot D, (Wauneta Avenue and Northeast 50th Place), a distance of 60 feet; Thence South along a line that 60 feet West of and parallel with the East line of said Lot D, for a distance of 25 feet; Thence West along a line that is 25 feet South of and parallel with the North line of said Lot D to the Northerly Extension of Lot 17 in said Goode Heights Plat One; Thence South along said Northerly Extension of the West line of said Lot 17 and along the East line of Lots 17 and 19 of said Goode Heights Plat One, 280.0 feet, to the North line of Lot A (also known as Northeast 50th Avenue and Goode Drive) of said Goode Heights Plat 1, to a point 228.0 feet West of the East line of said Lot A; Thence East along said North line of Lot A to a point that is 117.0 feet West of the East line of said Section 14; Thence South along a line that is 117.0 feet West of and parallel with the East line of said Section 14 to the South Right of Way line of Northeast 50th Avenue (Goode Drive), and being on the West Right of Way line of Northeast 14th Street (U.S. Highway 69); Thence

South $03^{\circ} 06' 50''$ West, 149.25 feet along said Right of Way line; Thence South $89^{\circ} 58' 00''$ East along said Right of Way line, a distance of 60.0 feet; Thence South $0^{\circ} 07' 30''$ East along said Right of Way line, a distance of 90.00 feet; Thence South $48^{\circ} 31' 07''$ West, 113.27 feet to the North Right of Way line of United States Interstate 35-80; Thence South along a straight line to a point that is 116 feet West of the East line of the Southeast Quarter (1/4) of said Section 14 and 1322.77 feet North of the South line of the Southeast Quarter (1/4) of said Section 14;

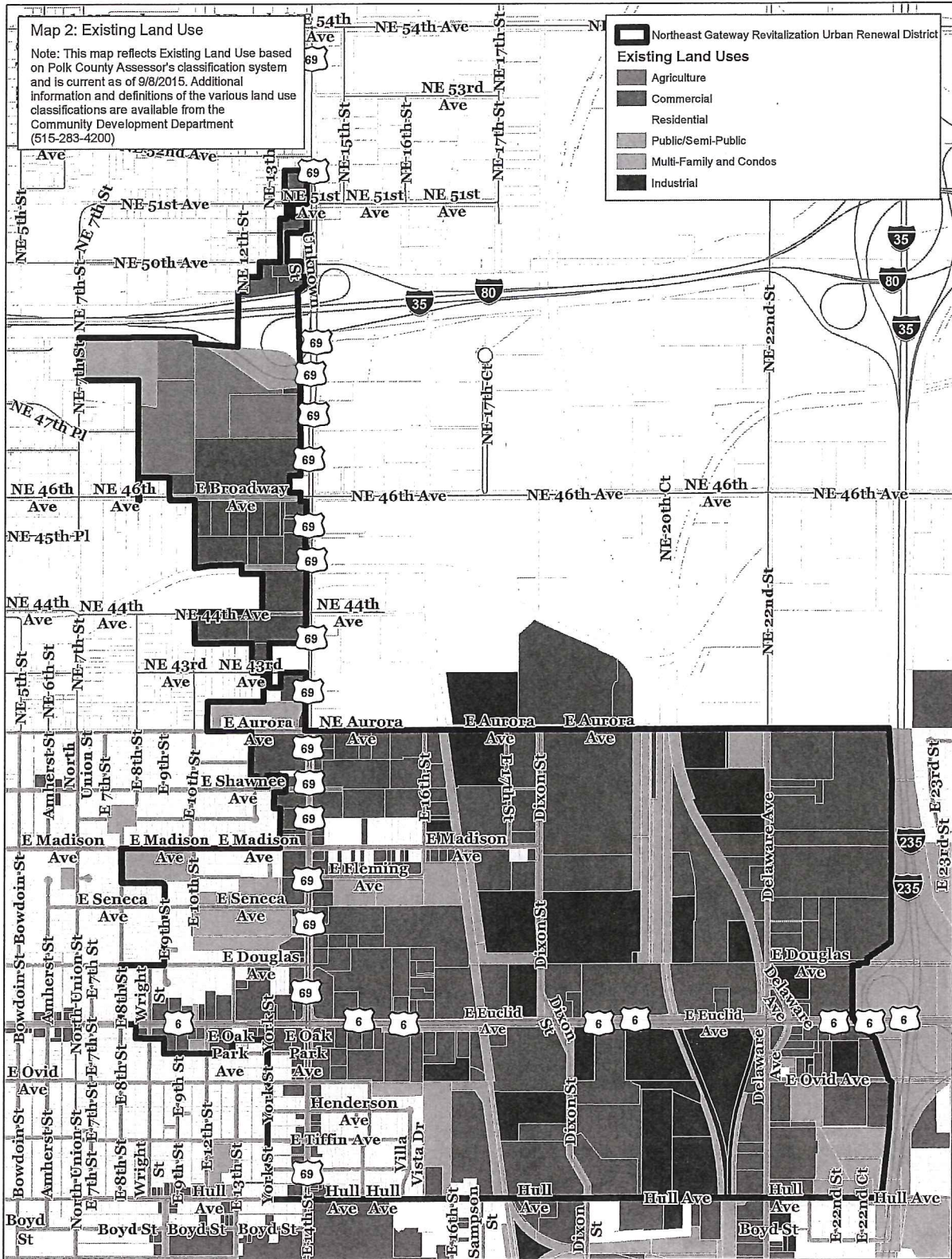
Thence South $00^{\circ} 07' 30''$ East, parallel with and 116.0 feet West of the East line of the Southeast Quarter (1/4) of said Section 14, a distance of 1131.04 feet; Thence South $89^{\circ} 55' 30''$ West, 125.7 feet; Thence South $00^{\circ} 07' 30''$ East, 191.7 feet to a point 50.0 feet North of the South line of the Southeast Quarter (1/4) of said Section 14; Thence East along a line that is 50.0 feet North of and parallel with the South line of said Section 14, a distance of 125.7 feet; Thence South 102.0 feet to a point 52.0 feet South of the North line of Section 23, Township 79 North, Range 24 West of the 5th P.M. and 116.0 feet West of the East line of said Section 23; Thence East along the South Right of Way line of Northeast 46th Avenue (East Broadway Avenue) to the West Right of Way line of Northeast 14th Street (U.S. Highway 69), said Right of Way line being 50.0 feet West of the East line of said Section 23; Thence South along the West Right of Way line of said Northeast 14th Street (U.S. Highway 69), 319.51 feet; Thence West 10.0 feet to the Northeast corner of Lot 15, Stickler Heights, an official plat; Thence South along said West Right of Way line and the East line of said Lot 15, a distance of 198.0 feet; Thence East 10.0 feet to the Northeast corner of Lot 16, of said Stickler Heights; Thence South and 50.0 feet West of and parallel with the East line of said Section 23, to the North line of Lot 1, Iowa Garden Acres, an Official Plat; Thence West along said North line of said Lot 1, to a point 200.0 feet East of the Northwest corner of said Lot 1; Thence South along a line that is 200.0 feet East of and parallel with the West line of said Lot 1, to the South line of said Lot 1; Thence continuing South along the Southerly Extension of said parallel line to the centerline of Northeast 43rd Avenue, a distance of 15.0 feet; Thence West along said centerline to the Northerly Extension of the East line of Lot 49 of said Iowa Garden Acres; Thence East along a line that is 157.5 feet North of and parallel of the South line of Lots 49 and 50 of said Iowa Garden Acres to the West line of Lot 51 of said Iowa Garden Acres; Thence North along the West line of said Lot 51, to the Northwest corner of said Lot 51; Thence continuing North along the Northerly Extension of said West line to the centerline of Northeast 43rd Avenue Right of Way, a distance of 15.0 feet; Thence East along the centerline of Northeast 43rd Avenue and parallel with the North line of Lots 51 and 52 of said Iowa Garden Acres, to the West Right of Way line of Northeast 14th Street (U.S. Highway 69); said point being 50.0 feet West of the East line of said Section 23; Thence South along a line that is 50.0 West of and parallel to centerline of East Aurora Avenue Right of Way; Thence East along the centerline of East Aurora Avenue to the West Right of Way line US Interstate 235; Thence South along said West Right of Way line to the centerline of Hull Avenue; Thence West along said centerline of Hull Avenue to the Point of Beginning.

Map 1: Plan Boundary Northeast Gateway Revitalization Urban Renewal Area



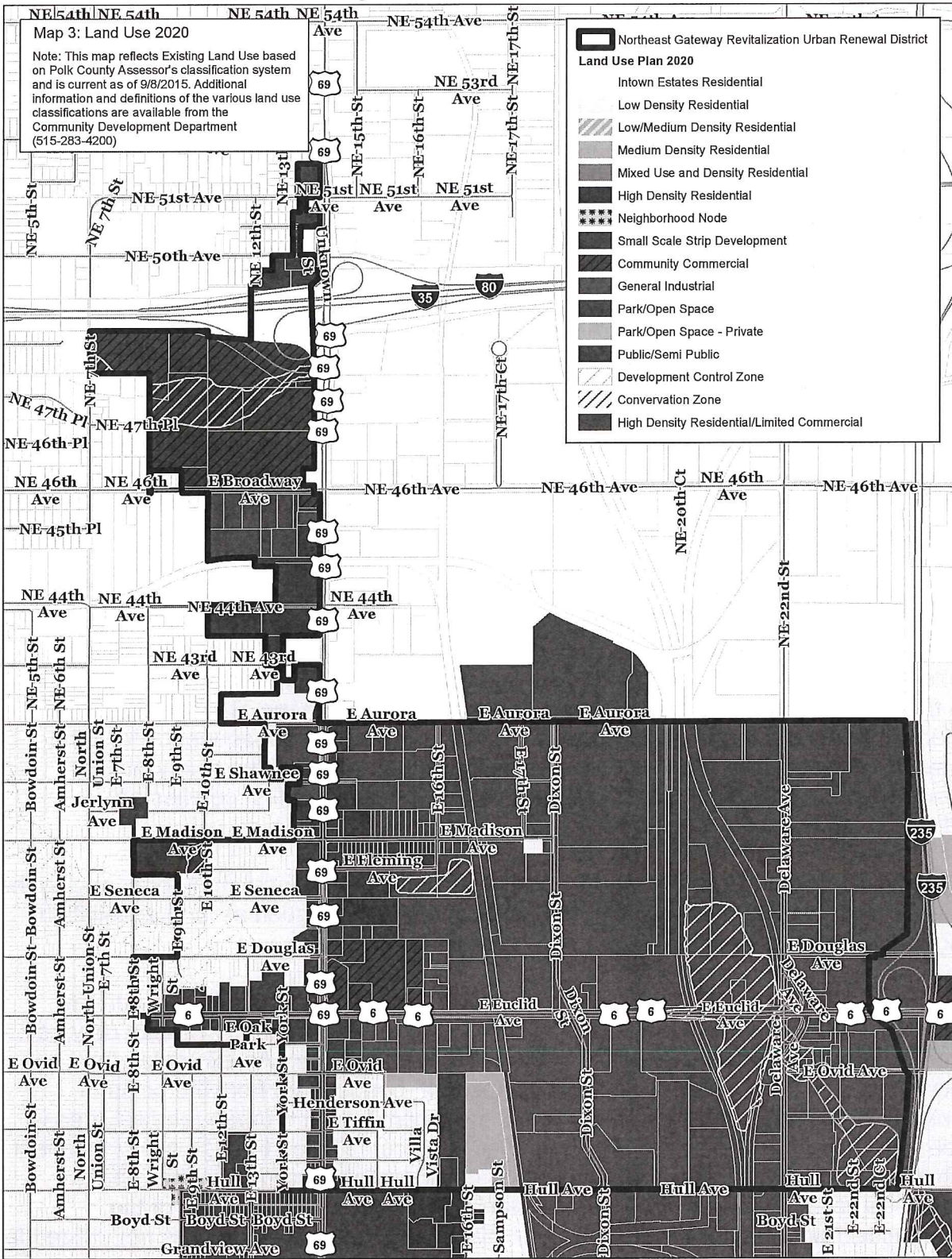
Map 2: Existing Land Use Map

Northeast Gateway Revitalization Urban Renewal Area



Map 3: Future Land Use Map

Northeast Gateway Revitalization Urban Renewal Area



Attachment B

FINANCIAL CONDITION REPORT

Northeast Gateway Revitalization Urban Renewal Area

Urban Renewal History

Urban renewal was created by the federal government in the 1950's to assist cities in renewing their older central districts by providing for the removal of slum and blight conditions. It proved to be a vital tool for redeveloping areas of cities where private sector interest had not responded, and where intervention was needed to appropriately plan and facilitate investment in new housing, businesses, and public infrastructure. Public and private partnerships have been achieved through the use of urban renewal, resulting in substantial increases in taxable valuation, employment, services and amenities that would otherwise not have occurred. With the evolution of cities in the last 50 years, urban renewal has been able to help local government respond to the need to broaden economic reinvestment in all sectors.

A tax increment finance district, necessary for utilizing the tax increment in the urban renewal area, will be created for the Northeast Gateway Revitalization Urban Renewal Area to facilitate the objectives of the Northeast Gateway Revitalization Urban Renewal Plan (the "Plan").

Tax Increment Financing

Tax increment financing (TIF) is an economic development tool available only in designated urban renewal areas. Tax increment is basically the property tax revenue generated by the cumulative general ad valorem tax levy (exclusive of protected levies) on the difference between the taxable value of all property in the TIF district at the base valuation date, and the taxable value of the properties in any subsequent year. The base valuation date for an urban renewal area is January 1st of the calendar year immediately preceding the calendar year that the municipality first certifies an indebtedness to be paid by the tax increment revenue.

The municipality may use the tax revenue created by the tax increment for financing the objectives and projects identified in the urban renewal plan, such as land acquisition and the provision of new infrastructure improvements.

Utilization of TIF is most effective in areas where development and creation of new increment will occur after the designation of the urban renewal area. TIF can only be used for activities or items identified in the urban renewal plan. An example of an activity would be where the municipality issues TIF bonds to up front the costs of constructing needed infrastructure. The tax increment from the urban renewal area is then used to pay off the bonds. This can also be accomplished through a development agreement where a private entity constructs or renovates a building in the urban renewal area and receives financial assistance from the City in the form of the incremental tax revenues created by their investment. If the revenues are not utilized for any of these eligible costs, the increment is returned to general revenues of the several taxing entities.

This financial condition report will summarize the anticipated growth in revenues from, and expenditures anticipated for the Northeast Gateway Revitalization Urban Renewal Area.

Indebtedness and Bonding

The current general obligation debt for the City of Des Moines is \$426,420,000. The State of Iowa Constitutional debt ceiling limit for general debt obligations by the City of Des Moines is \$542,887,856.

No bonds have been issued for this area to date. Future consideration will be given to issuance of debt in the Area for public improvement projects that will improve the local economy, safety, and quality of life for residents and business owners. Evaluation of the area has focused on assessing the condition of infrastructure in the area and identifying age and condition of properties. The preferred methodology will be to have the private sector up-front any required improvements, and negotiate financial assistance to be paid by the City from the increment tax revenue created when additional value is added to the property. The future revenues of the Area have been projected conservatively, using existing valuation. Individual projects will be evaluated based on costs of extending improvements, anticipated new increment to be added, and timeframe to expect increment to be realized.

Property Tax Assessments and Revenue

The City anticipates taking the necessary action to designate January 1, 2015, as the base valuation date for the Northeast Gateway Revitalization Urban Renewal Area. Any increase in the property tax assessment over the existing assessment on the base valuation date may be captured for use in the Area by the City.

The total TIF property tax assessment base for the Northeast Gateway Revitalization Urban Renewal Area is approximately \$196,070,263. The base value will be formally determined by the Polk County Assessor's Office after the first certification of indebtedness for the Area.

All taxes levied by the other taxing jurisdictions on the tax assessment base will continue to be distributed to them in the ordinary course. If the adoption and implementation of this Plan serves its intended purpose of accelerating the rate of development and redevelopment in the area, the loss of a portion of that growth will be largely offset by an increase in the rate of the growth. Therefore, it is expected that the creation of the Northeast Gateway Revitalization Urban Renewal Area should have no material detrimental impact on the provision of services by each of the affected taxing entities.

Future Financial Condition

It is anticipated that the property values will increase in this urban renewal area, primarily due to anticipated economic development activity. The City will undertake future projects in cooperation with the private sector to enhance this area, which may include public infrastructure and development financial assistance as warranted and

negotiated through the City Manager and the Office of Economic Development. It is anticipated that all development agreements will be reviewed and approved by the City Council. The terms of such agreements will be constructed to maximize the ability to successfully implement the objectives of this Plan, provide for quality building construction and site development, the construction of public improvements necessary for the development of commercial and light industrial uses and the creation of jobs. Performance standards and objectives will be incorporated into all agreements that must be satisfied before any use of public revenues. All use of tax increment financing will be subject to annual cash flow from the Area.

Property valuations and revenues for the next twenty years have been estimated for a 20 year time frame. The estimates are based on the following assumptions:

- 1.5% annual growth rate in the Area’s land and building assessments after any current tax abatements are taken into account.
- A \$40/1000 levy rate, after the protected certified debt service levy is subtracted from the overall tax rate.
- Follow Council policy adopted March 24, 1997 that allows the City to expend up to 75% of the annual aggregated tax increment revenues from all TIF areas generated after January 1, 1996.
- The taxable value of the area on January 1, 2015, will not be materially affected by any pending appeals.

Below is a table that projects the growth in estimated property valuation, the available tax increment revenues and estimated tax increment usage from the Northeast Gateway Revitalization Urban Renewal Area based upon these assumptions. The actual expenditure of tax increment for undertakings pursuant to this Plan may occur at an earlier or later date than is shown in this table, subject economic conditions and the rate new development occurs in the Area.

Projected TIF Revenues for Northeast Gateway Revitalization Urban Renewal Area

Fiscal Year	Taxable Valuation (Base 196,070,263)	Accumulated Increment Added	Projected TIF Revenues	Projected TIF Usage
2016-2017	198,371,346	2,301,083	92,043	69,032
2017-2018	201,346,916	5,276,653	211,066	158,300
2018-2019	204,367,120	8,296,857	331,874	248,906
2019-2020	207,432,627	11,362,364	454,495	340,871
2020-2021	210,544,116	14,473,853	578,954	434,216

2021-2022	213,702,278	17,632,015	705,281	528,960
2022-2023	216,907,812	20,837,549	833,502	625,126
2023-2024	220,161,429	24,091,166	963,647	722,735
2024-2025	223,463,851	27,393,588	1,095,744	821,808
2025-2026	226,815,808	30,745,545	1,229,822	922,366
2026-2027	230,218,046	34,147,783	1,365,911	1,024,433
2027-2028	233,671,316	37,601,053	1,504,042	1,128,032
2028-2029	237,176,386	41,106,123	1,644,245	1,233,184
2029-2030	240,734,032	44,663,769	1,786,551	1,339,913
2030-2031	244,345,042	48,274,779	1,930,991	1,448,243
2031-2032	248,010,218	51,939,955	2,077,598	1,558,199
2032-2033	251,730,371	55,660,108	2,226,404	1,669,803
2033-2034	255,506,327	59,436,064	2,377,443	1,783,082
2034-2035	259,338,922	63,268,659	2,530,746	1,898,060
2035-2036	263,229,005	67,158,742	2,686,350	2,014,762